

INFORMATION REPORT

~~CONFIDENTIAL~~

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COUNTRY Germany (Russian Zone)

DATE DISTR. 3 Feb. 1949

SUBJECT Possibility of Further Dismantling
in the Russian Zone

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1. Early in November 1948, notices appeared in some papers of the Soviet Zone to the effect that certain SAGs were to be dismantled. The Soviets immediately ordered that no such reports were to be published in the future.
2. General Koval, Chief of the SMA Economic Directorate, had, however, previously informed the DMK that it was too costly and impracticable to bring materials to the factories from the east and then send finished products back there. It was, therefore, considered more advisable to move some concerns further east. Comment: Inadequate supplies of Polish coal were one of the reasons for this decision.)
3. Representatives from the DMK thereupon joined forces with economic representatives of the SED in order to study the possibility of overcoming the loss of production caused by the lack of coal supplies from the Western Zones by an intensive effort in all factories of the Eastern Zone.
4. The SED was given the task of producing by 1 April 1949 a survey to show whether or not 50 percent of necessary production would be achieved by such "intensifying campaigns" in Eastern Zone factories.
5. The SED, therefore, issued a party order on about 5 November 1948 to the effect that all party members and officials trained in iron and steel primary or processing industries must resign from any other positions they may be filling and report as "Activist specialists" to the various smelting works or rolling mills. This order applied to all officials of the party, with the exception of those engaged in the recruiting of the police.

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